

# 13 CLIMATE ACTION



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**17 ROOMS GLOBAL FLAGSHIP  
2021 ROOM DOCUMENTS**  
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This document summarizes the ideas and actions that emerged from Room 13, a working group for Sustainable Development Goal 13 on Climate Action, that convened as part of the annual 17 Rooms global flagship process in 2021. The [17 Rooms initiative](#) is co-hosted by the Center for Sustainable Development at The Brookings Institution and The Rockefeller Foundation. Each Room, one per SDG, was asked to identify actionable priorities that can be advanced by the end of 2022 to improve some component of 2030 outcomes for its respective Goal. Corresponding documents prepared by the other flagship Rooms are available [here](#), alongside a synthesis report prepared by the 17 Rooms secretariat.

## 17 Rooms: Room 13

### A “breakthrough” agenda on climate finance

In the aftermath of the COVID-19 pandemic, [emerging markets and developing countries face daunting fiscal and financing challenges](#). These countries will need an immediate boost in international finance to support a green recovery; beyond immediate recovery, emerging markets and developing countries will also need support for a sustained increase in investment if they are to raise climate ambition—by accelerating the transition to net-zero emissions, adapting to and building climate resilience, and investing in nature-based solutions. Through this increased investment, countries have an opportunity to pursue an inclusive growth model and tackle longstanding gender-based inequities.

### Pillars of a breakthrough agenda on climate finance

Such progress on global climate action will require commensurate ambition on climate finance—leading up to and at COP26 in Glasgow, and with sustained progress thereafter. Room 13 has identified three priority areas of action that can together constitute a breakthrough agenda on climate finance.

**1. Fulfilling and going beyond the \$100 billion climate finance commitment.** The commitment to provide \$100 billion in climate finance by 2020 is both a symbol of intense significance and foundational to progress on climate action by developing countries. Credible progress on this commitment is a make-or-break issue for the success of COP26 and for raising ambition on climate action in the developing world.

**2. Scaling up the mobilization of private financing including through reform of Multilateral Development Banks (MDB)/International Financial Institutions (IFI) role and instruments.** This will require concerted actions on the part of MDBs to support countries in setting out their programs of green recovery and transitions, use their balance sheets more effectively, greatly improve private sector multipliers by deploying effective de-risking instruments, and work better as a group and with other bilateral development finance institutions (DFIs) and the multilateral climate-related funds.

**3. Aligning the financial system with climate risk and opportunities to become a catalyst for change.** There is a tremendous opportunity to build a broad-based alliance of private capital, anchored in clear targets, benchmarks and metrics, that can work with the DFIs to mobilize and channel private finance for sustainable investments in developing countries, especially in low carbon, resilient infrastructure.

## What needs to be done?

(1) Aggressively communicating and executing the following roadmap to deliver the \$100 billion commitment and build climate ambition to 2025:

- The rich countries, led by the G-7, should commit to **deliver on the \$100 billion commitment by boosting climate finance in 2022 in support of green recovery; and to double bilateral public climate finance to \$60 billion by 2025**. There is also an urgent need to increase the concessionality of climate finance by boosting **the levels of grant financing** from its present low amounts (\$12 billion in 2018), and ensuring that **at least half of concessional climate finance supports adaptation and resilience objectives, including by an immediate doubling of public climate finance for adaptation**.
- The G-20 should call on the MDBs to use all their instruments at this moment of crisis to **greatly expand their support for green recovery and sustained transformation in developing countries**, encompassing both large emitters and poor and climate-vulnerable countries. **The goal must be to triple financing from MDBs by 2025 from the 2018 levels**.
- The G-7 and the G-20 should also indicate that they **stand ready to support the multilateral channels of concessional climate finance, including IDA, as well as the necessary replenishments of capital that are likely to be needed** to enable MDBs to further expand their own finance and crowd in the private sector at the scale that will be needed if action is to be sustained at necessary levels over the coming decade.
- **Private mobilization enabled by both multilateral and bilateral providers of climate finance can and must also be greatly improved**. In 2018, [for every dollar of international public finance, private finance mobilization was only 25 cents](#). There is no reason why **private mobilization could not be increased tenfold**.

(2) Supporting the development of innovative funding ideas to mobilize and leverage public finance, such as:

- **Special Drawing Rights (SDRs) re-allocation for resilience and sustainability**, including augmentation of the Poverty Reduction and Growth Trust, and the establishment of a new Resilience and Sustainability Trust that can both support enhanced resilience in poor and vulnerable countries and low-carbon transitions in emerging markets and developing countries. Central banks could also hold a portion of their reserves in the form of green investments in emerging markets.
- **A new Climate Finance Facility**: An innovative climate financing facility, modelled after the international financing facility for education, could be developed to close the gap with the \$100 billion commitment. Working together, public, private, and philanthropic donors and MDBs could generate \$10 billion in additional highly concessional funds. Such a facility was launched on November 3rd 2021 as the Global Energy Alliance for People and Planet (GEAPP), with ambitions to accelerate and scale equitable energy transitions in low- and middle-income countries.
- **Liquidity and Sustainability Facility (LSF)**: This facility could help to boost liquidity to expand the pool and bring down the cost of private finance for African borrowers with a focus on supporting the scaling up of sustainable investments.

**(3) Purposefully engaging with the private sector to deepen the pool of finance available for green investment:**

- The **new coalitions of private sector leaders and financing pools**, including the Glasgow Financial Alliance for Net-Zero that was launched at COP26 (representing \$130 trillion in private capital), can give a powerful impetus to the net-zero drive and to directing more climate finance for climate action including in emerging markets and developing countries.
- There is a tremendous opportunity to unlock green investments and mobilize private finance at scale by **building an enhanced partnership between private sector coalitions and the official sector including the MDBs** to create strong pipelines of projects for system transformation, work with host governments in tackling institutional and policy impediments and enable de-risking at scale. Notably, de-risking at scale will require major reform of the current system, particularly the MDBs. MDBs must also shift to more of a wholesale approach to advancing green infrastructure in partnership with institutional investors through risk pooling and by addressing what is currently a shortage of bankable projects in emerging markets. One structure through which greater coordination can be achieved is the use of **country platforms**, which the G-20 has promoted but has yet to effectively apply.
- Relatedly, there is also a need for a specialized Just Energy Transition fund to engage with high-emitting countries in emerging markets, such as India and South Africa, and help them meet the fiscal and social costs associated with a low-carbon energy transition including the accelerated phase out of coal.
- The COP26 private finance hub has given a strong momentum to **aligning the financial system with climate risk and opportunities**, working with other official sector initiatives. Room 13 should promote a shared understanding and commitment to this agenda by both the public and private sectors, and push for developing countries to be given the necessary support for implementing the complex and wide-ranging actions.

**(4) Centering a breakthrough agenda for climate finance on the delivery of healthier lives and greater opportunities for women and girls around the world:**

- [Women and girls are disproportionately at risk to and harmed by the impacts of climate change](#) on human security. The development of climate risk atlases that include the second order effects of climate change will enable a better understanding of these adverse effects.
- A breakthrough agenda also necessitates the **equitable leadership and participation of women in designing community-based solutions for both climate mitigation and resilience**. Women's extensive knowledge of the surrounding environment is a critical and underutilized tool for developing effective climate solutions.
- The **financial and policy dimensions of the global energy transition also present opportunities for advancing gender equity**. Currently, [the cost and availability of capital inhibits women from operating their own businesses](#). Unlocking innovative finance for distributed energy systems can propel these women-led businesses forward and support their economic independence.

## **What can we do (in the next 12-18 months)?**

- Draw on the unique expertise and influence of Room 13 participants to shape a common narrative for a breakthrough in climate finance, including on the immediate delivery of the \$100 billion commitment and the need to raise ambition thereafter, and communicate that narrative at key meetings in 2021 and 2022.
- Coordinate with Room 15 and other Rooms to scope and establish the Natural Security Initiative (NSI) to invest in scaling nature-based solutions that protect people from extreme weather events and other climate impacts.